GRAIN TRANSPORTATION REPORT

Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

FEBRUARY 13, 2003

TM GRAIN TRANSPORT COST INDICATORS	Truck	Rail	Barge	Ocean	
				Gulf	PNW
Indicator Value* for 02/13	111	107	99	122	137
Compared to Last Week	↑	↑	↓	↑	↑

**Indicator: Base Year 2000=100; Cost Data, Weekly Updates include Truck=Diesel, Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel, based on Routes to Japan*

Grain Elevator Closes in South Carolina. Due to changes in the world grain export market and new production trends in the State of South Carolina, the South Carolina Farm Bureau (SCFB) has officially closed the State's only grain export facility in Charleston, SC. All of the grain shipped out in the last few weeks went to feed mills. All grain bins are currently empty, with maintenance crews cleaning the facility so that it can be surrendered to the South Carolina Ports Authority. Despite the closure, the State is likely to continue operating a number of "country point" grain operations, which will purchase the grain from farmers and help them market it within the United States.

After years of research, the Ports Authority found that it would not be feasible to keep the facility open. According to the SCFB, wheat exports over the past 5 years have decreased to about 2 million bushels, which is significantly below the average of 6 million bushels. Soybean and corn demand are fairly high so imports of these two grains are expected to increase.

According to Ports Authority management, deliberations are underway to use the space from the South Carolina elevator as part of the port's expansion and dock extension plans. Other businesses have also expressed interest in the facility.

Currently, negotiations are taking place with the facility in Brunswick, GA., to determine whether South Carolina will be able to gain access to its grain elevator. Grain movements from South Carolina to Brunswick would likely substantially increase the amount of grain the terminal exports and sends to feed mills. (*The Times and Democrat newspaper* 1/31, *South Carolina Farm Bureau*)

New Dredging Project in Brunswick, GA. The port in Brunswick is currently in the midst of a dredging project which started in September. The project was initiated because the port was faced with increased traffic and larger vessels. It is important to the State's economy because Georgia ports provide about 80,100 jobs to the State annually and nearly $2 million annually in personal income. The outer channel is expected to be completed in March, and bids on the inner channel project are anticipated soon. According to the Georgia Ports Authority, agricultural bulk products moving through the port reached a record level last year. *(Georgia Ports Society)*

Port of Wilmington, NC, Imports Wheat. According to officials at the Port of Wilmington, NC, about 64,000 metric tons of wheat are expected to be imported to its grain facility in March. Recently, there have been several sales of soybean meal and wheat for feed. According to Spark's, Wilmington imported about 97,500 metric tons of wheat from February through November 2002. Also, from August to October 2002, the facility imported a total of 104,475 metric tons of soybean meal from Brazil.

Diesel Prices Up 12 Cents. Due to the recent rise in crude oil prices ($35.12/barrel), the possibility of war with Iraq, and extremely cold temperatures, the current national average for a gallon of diesel fuel is $1.66, up 12 cents from last week and 51 cents from last year this time. Another factor affecting the price of diesel and gasoline has been the strike in Venezuela, which has forced the United States to use some of its oil reserves. According to the U.S. Department of Energy, supplies of distillates (include diesel and heating oil) were down 10.3 million barrels last week, and crude oil stocks were down 14 percent from last year. Continued disruptions in the flow of crude oil supplies could increase trucking and rail costs significantly.

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Contents

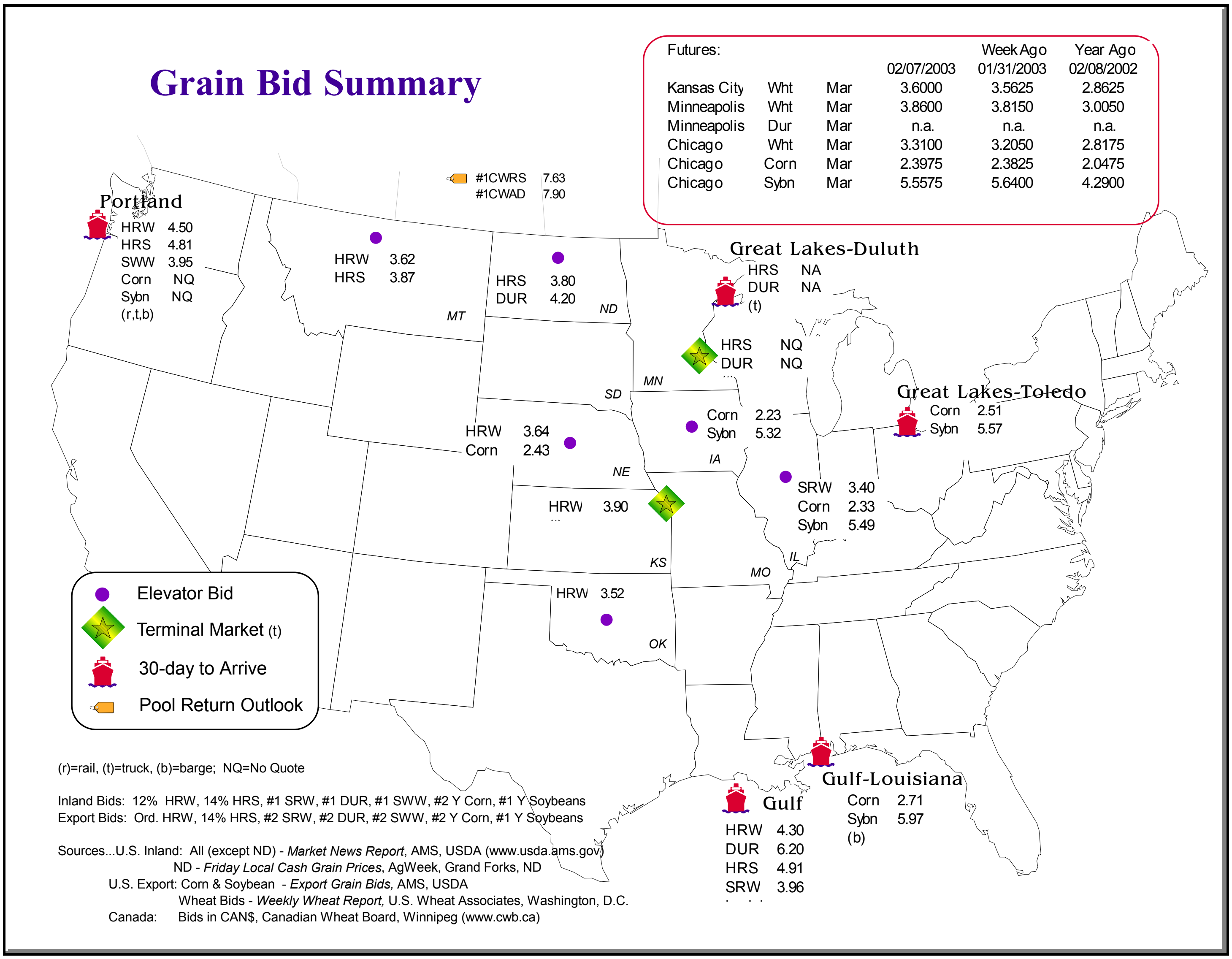
The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads

Per Bushel

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.38	-0.41
Corn	NE -- Gulf	-0.28	-0.31
Soybean	IA -- Gulf	-0.65	-0.73
HRW	KS -- Gulf	-0.40	-0.40
HRS	ND -- Portland	-1.01	-1.02

The **Grain Bid Summary** illustrates the market relationships for corn, soybeans, and five varieties of wheat among selected origins and destinations. Positive and negative adjustments in the differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.



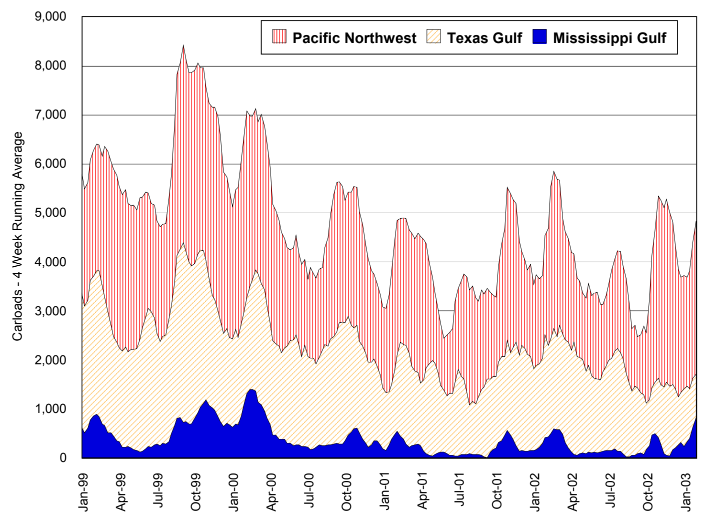
RAIL TRANSPORTATION

Rail Deliveries to Port
Carloads

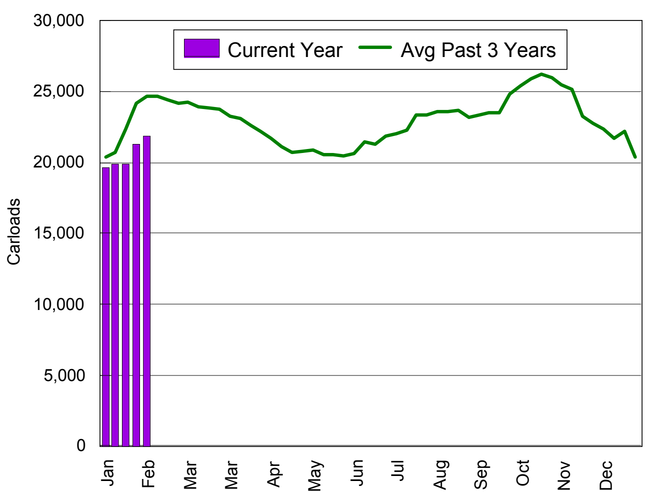
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
1/22/03	1,079	1,122	3,586	674	6,461
01/29/03	961	1,062	3,710	895	6,628
YTD 2003	3,462	5,047	14,857	3,715	27,081
YTD 2002	1,902	9,681	9,243	4,828	25,654
% YTD 2002	182%	52%	161%	77%	106%
Total 2002	11,112	83,799	111,719	21,551	228,181
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Rail Deliveries to Port



Grain Car Loadings for Class I Railroads



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin
Grain Carloads Originated and Grain Service Index

	East		West				Canada	
	CSXT	NS	BNSF	KCS	UP	U.S. Total	CN	CP
02/01/03	3,121	3,500	6,977	501	6,808	20,907	3,566	2,868
This Week Last Year	3,650	3,049	8,842	499	5,741	21,781	5,164	5,098
2003 YTD	15,077	16,453	38,740	2,361	33,567	106,198	17,265	15,578
2002 YTD	16,085	15,513	42,490	3,609	33,553	111,250	20,295	19,042
% of Last Year	94%	106%	91%	65%	100%	95%	85%	82%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765

U.S. Rail Carrier Grain Service Index*

Jan-03	94.0	99.5	93.0	89.7	94.0	94.5

Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service) for Rail Carrier

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

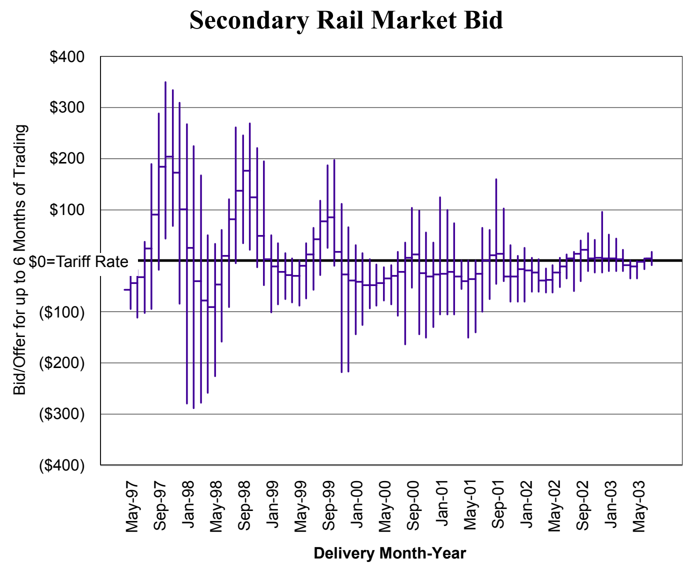
Railroad Car 'Auction' Results
Average Premium/Discount to Tariff, $/Car - Last Auction

Delivery for:	Mar-03	Apr-03	May-03
COT/N. Grain	$1	$0	$0
COT/S. Grain	$0	$0	no bid
GCAS/Region 1	no bid	no bid	no bid
GCAS/Region 2	no bid	no bid	no bid

Source: Transportation & Marketing/AMS/USDA.
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Secondary Rail Car Market
Average Premium/Discount to Tariff, $/Car - Last Week

	Delivery Period			
	Feb-03	Mar-03	Apr-03	May-03
BNSF-GF	$16	$(20)	$(34)	$(34)
UP-Pool	$(8)	$(9)	$(12)	$(12)



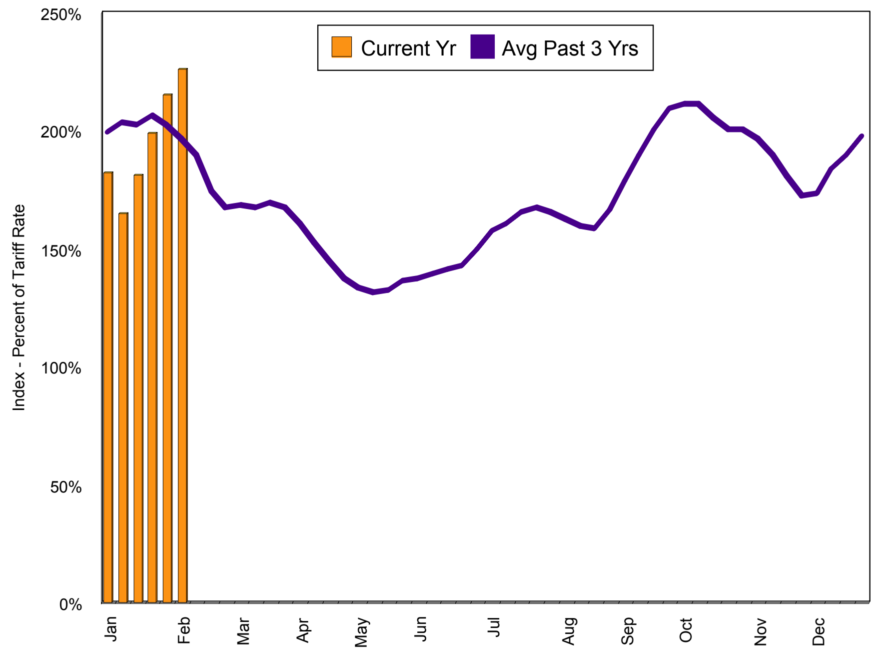
Tariff Rail Rates for Unit Train Shipments
January 2003

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
01/06/03	45560	Wheat	Minneapolis, MN	Houston, TX	$2,050	$22.60	$0.62
01/06/03	43521	Wheat	Minneapolis, MN	Portland, OR	$3,877	$42.74	$1.16
01/06/03	46540	Wheat	Kansas City, MO	Houston, TX	$1,650	$18.19	$0.50
01/06/03	43586	Wheat	Kansas City, MO	Portland, OR	$4,420	$48.72	$1.33
01/06/03	43581	Wheat	Omaha, NE	Portland, OR	$4,005	$44.15	$1.20
01/06/03	31005	Corn	Minneapolis, MN	Portland, OR	$3,050	$33.62	$0.85
01/06/03	31035	Corn	Kansas City, MO	Portland, OR	$2,700	$29.76	$0.76
01/06/03	31005	Corn	Omaha, NE	Portland, OR	$2,850	$31.42	$0.80
01/06/03	61110	Soybean	Minneapolis, MN	Portland, OR	$3,030	$33.40	$0.91
01/06/03	61110	Soybean	Omaha, NE	Portland, OR	$2,780	$30.64	$0.83

Source: www.bnsf.com
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating barge rate per ton:
Index × 1976 Tariff Benchmark Rate per Ton

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

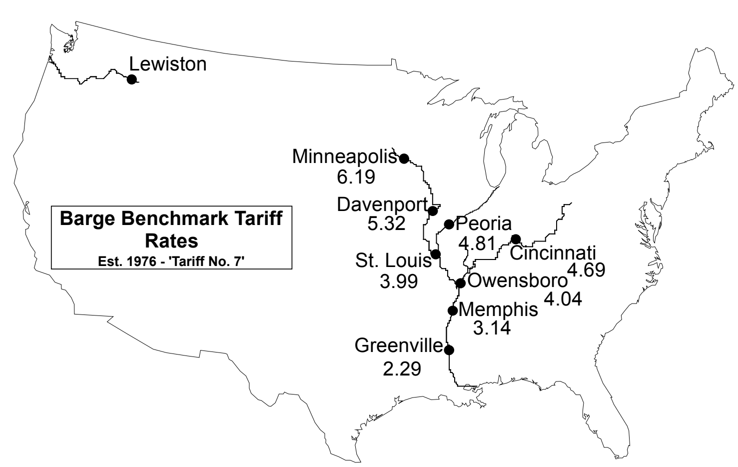
	2/5/03	1/29/03	Mar. '03	May. '03
Twin Cities	nq	nq	205	186
Mid-Mississippi	nq	nq	183	158
Illinois River	205	223	165	165
St. Louis	146	172	141	141
Lower Ohio	141	153	139	139
Cairo-Memphis	113	118	121	121

Source: Transportation & Marketing /AMS/USDA; nq=no quote

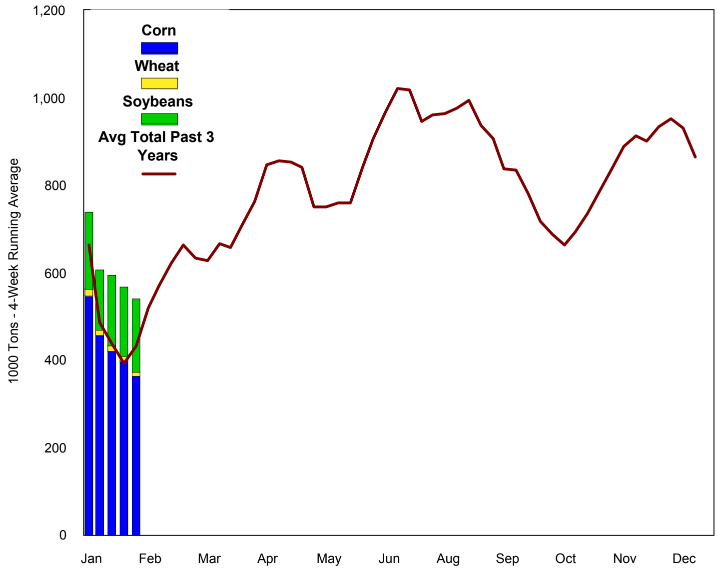
BARGE FUTURES MARKET
Southbound Barge Freight Nominal/Cash Basis Values
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate: Futures	Rate: Cash
2/11/03	St. Louis	Mar	n/a	145
		May	n/a	145
		July	n/a	155
		Sept	n/a	178
		Oct	n/a	200
	Illinois River	Mar	n/a	165
		May	n/a	150
		July	n/a	165
		Sept	n/a	195
		Oct	n/a	220

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)



Barge Grain Movements
for week ending 2/1/03

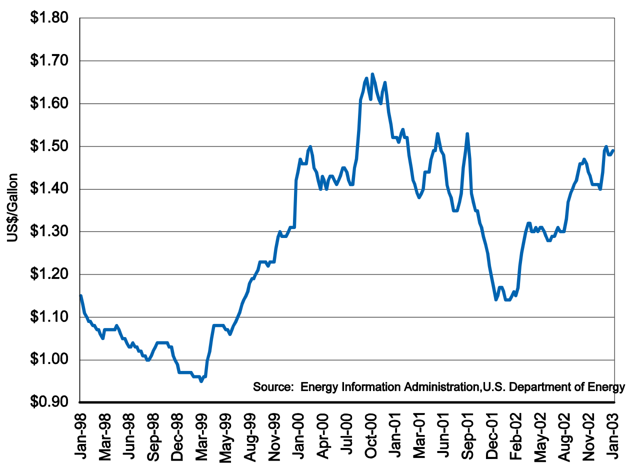
	Corn	Wht	Sybn	Total
		1,000 Tons		
Mississippi River				
Rock Island, IL (L15)	0	0	0	0
Winfield, MO (L25)	0	0	0	0
Alton, IL (L26)	279	2	192	472
Granite City, IL (L27)	231	2	159	392
Illinois River (L8)	214	0	125	339
Ohio River (L52)	98	0	82	194
Arkansas River (L1)	0	20	23	43
2003 YTD	2,327	149	1,372	3,986
2002 YTD	2,582	166	1,294	4,252
% of 2002 YTD	91%	90%	106%	94%
Total 2001	31,878	2,679	10,616	47,091

YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers.

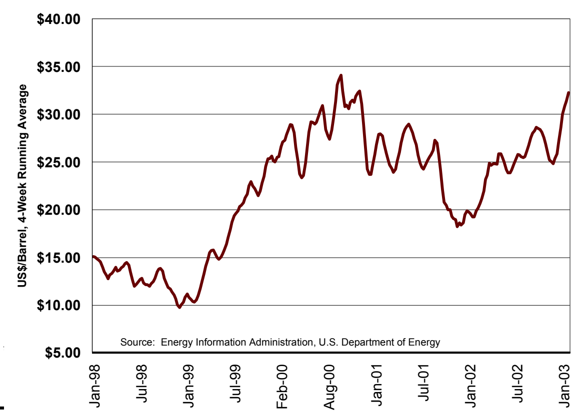
TRUCK TRANSPORTATION

The weekly **Diesel Price** provides a proxy for trends in U.S truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly U.S. Retail Road Diesel Price



Weekly Brent Crude Price, Friday Close



Crude Oil Prices (02/11/03)

US$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	33.81	32.42	▲
Brent Crude	32.50	31.07	▲

Source: www.eia.doe.gov; *U.S. Refiner CrudeAcquisition Cost, Composite Domestic & Import

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London

GRAIN EXPORTS

U.S. Export Balances (1,000 Metric Tons)

	Wheat						Corn	Soybean	Total
	HRW	*SRW*	*HRS*	*SWW*	*DUR*	*All*			
Unshipped Export Balances									
01/30/03	1,172	430	1,226	636	127	3,590	5,547	6,645	15,782
This Week Year Ago	1,324	826	878	525	206	3,759	7,944	6,514	18,217
Cumulative Exports-Crop Year									
02/03 YTD	4,998	2,137	4,603	2,378	555	14,670	16,938	16,602	48,210
01/02 YTD	5,762	3,794	3,815	2,223	812	16,405	17,637	17,713	51,755
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	48,760	26,972	101,185

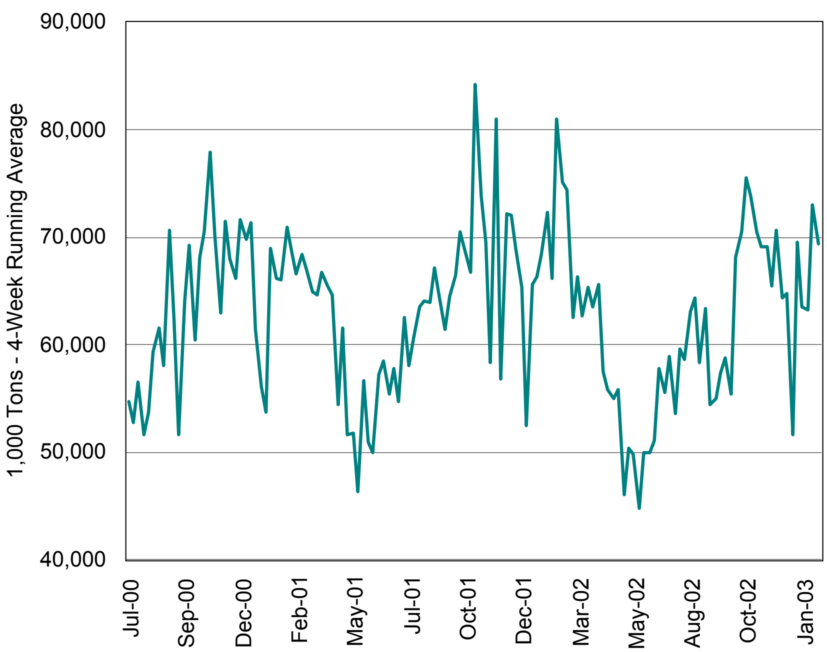
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31.

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region Total		
	Wheat	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Pacific*	*Mississippi*	*Texas*
02/06/03	182	174	161	54	644	663	136	0	0	516	1,361	136
2003 YTD	632	555	675	588	2,843	3,862	442	6	7	1,862	7,293	455
2002 YTD	1,006	454	335	437	3,150	3,504	523	2	139	1,795	7,091	663
% of 2002 YTD	63%	122%	202%	135%	90%	110%	85%	330%	5%	104%	103%	69%
2002 Total	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906

Source: Federal Grain Inspection Service YTD-Year-to-Date

U.S. Grain Inspected for Export



Select Canadian Port Export Inspections
1,000 Metric Tons, Week End Summary

02/06/2003	Wheat	Durum	Barley
Vancouver			10
Prince Rupert	32		
Prairie Direct	14		1
Thunder Bay			
St. Lawrence	2,644	1,457	192
2001/02 YTD	7,129	1,700	518
2002/03 YTD	2,690	1,457	203
% of Last Year	265%	117%	256%

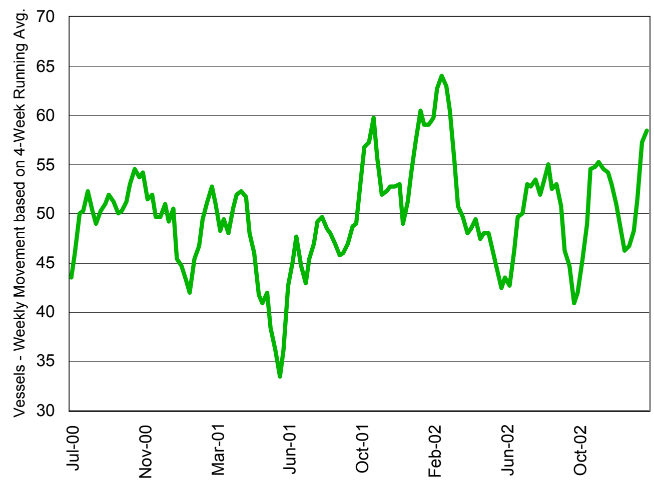
Source: Canadian Grains Commission, Crop Year 8/1- 7/31

Port Region Ocean Grain Vessels

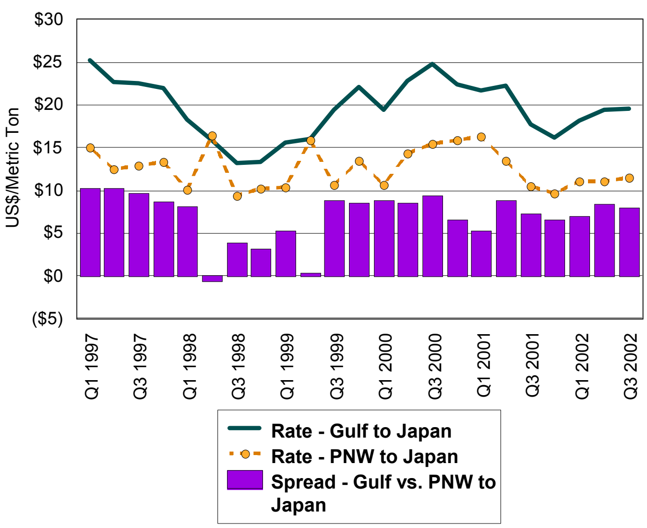
	Gulf			Pacific Northwest	Vancouver B.C.
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	In Port
01/30/03	38	69	64	5	4
02/06/03	47	55	58	9	2
2001 Range	(13..65)	(28..64)	(46..81)	(1..18)	(4..20)
2001 Avg	36	48	63	9	12

Source: Transportation & Marketing /AMS/ USDA

Gulf Port Region Grain Vessel Loading
Past 7 Days



Grain Vessel Rates to Japan



Quarterly Ocean Freight Rates
Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2002 4rd Qtr	2001 4rd Qtr	% Change		2002 4rd Qtr	2001 4rd Qtr	% Change
Gulf to				**Pacific NW to**			
Japan	$24.75	$16.25	52%	Japan	$15.39	$9.64	60%
Mexico	$7.50	-	-				
N. Europe	$18.07	$11.73	54%	**Argentina/Brazil to**			
N. Africa	$18.33	$16.98	8%	Med. Sea	$22.00	-	-
Med. Sea		$10.58	-	N. Europe	$22.63	$15.72	44%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates for Selected Shipments - week ending 2/8/03

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate ($Ton)
U.S. Gulf	El Salvador	Wheat	Jan. 15/20	22,000	$22.00
U.S. Gulf	China	Heavy Grain	Jan. 27/Feb. 5	55,000	$25.75
U.S. Gulf	China	Heavy Grain	Feb. 1/5	54,000	$28.00
U.S. Gulf	China	Heavy Grain	Feb. 11/28	55,000	$25.00
U.S. Gulf	Japan	Heavy Grain	Jan. 15/20	42,000	$25.50
U.S. Gulf	Japan	Heavy Grain	Jan. 23/Feb. 7	54,000	$27.25
PNW	Pakistan	Wheat	Jan. 15/25	30,000	$41.98
Hull (U.K.)	Adriatic Sea	Wheat	Jan. 17/20	55,000	$16.00

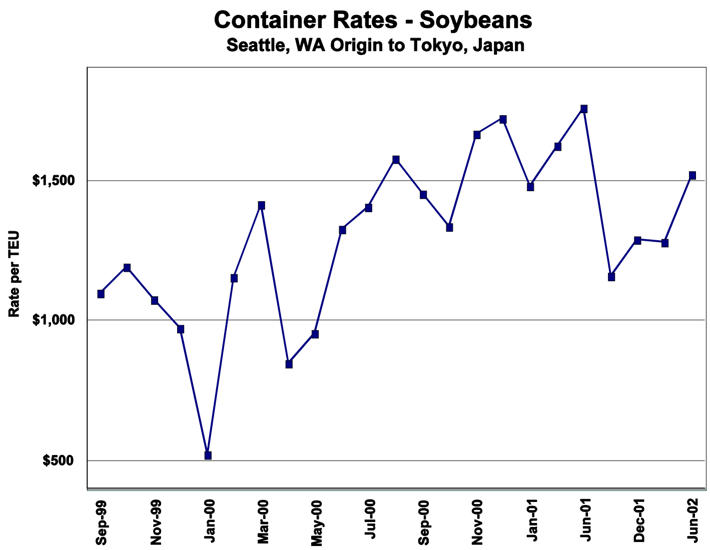
Source: Maritime Research Inc.; rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

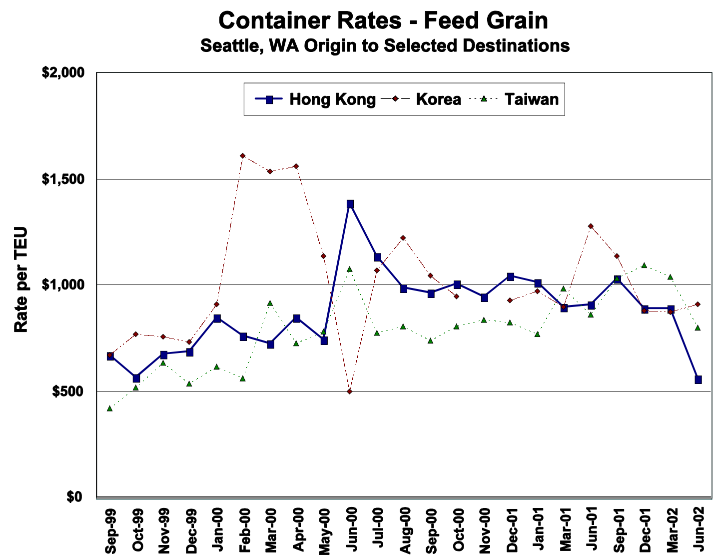
Container

Container Ocean Freight Rates

Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share

Source: Transportation & Marketing/AMS/USDA





Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.